

## INTERNATIONAL HOTEL INVESTMENTS PLC

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**Minutes of the twentieth Annual General Meeting of International Hotel Investments p.l.c. held on Friday, 31 July 2020 at 1100 hours.**

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### *In the Chair*

Mr Alfred Pisani                      Chairman

### *In Attendance*

Mr Joseph Pisani	Director
Dr Joseph J. Vella	Director
Mr Frank Xerri de Caro	Director
Mr Douraid Zaghouani	Director (via video conference)
Ms Karima Leguel	Representative of LAFICO (via video Conference)
Mr Winston V. Zahra	Director
Mr Jean-Pierre Schembri	Company Secretary
Mr Joseph Fenech	Joint CEO
Mr Simon Naudi	Joint CEO
Mr Simon Flynn	PricewaterhouseCoopers - auditors
Dr Louis de Gabriele	Camilleri Preziosi - legal advisors

**Members representing 567,357,813 votes were present in person or by proxy.** The Company Secretary confirmed that a Quorum was established.

Chairman made an introduction and declared the Meeting open. In his introduction, Chairman held that the Company faced a most unprecedented experience which truly shook the world and many businesses as a result of the pandemic. The tourist industry was particularly hard hit as it faced a lockdown for over three months. Only recently Corinthia opened its offices in Malta and London whilst the Company is also slowly opening its various hotels in the different countries. It has been a very difficult time, though nonetheless and as difficult as it was, we believe we have handled the various issues in an orderly and structured fashion, constantly updating our outlook in an evolving scenario, whilst keeping all shareholders fully informed with developments.

Notwithstanding this unprecedented experience, the Company is still looking to the future with confidence in that it will manage the financial issues, because of the various actions that the board and management have carried out.

Chairman held that he considers it special that notwithstanding all the setbacks, we are still here today and holding the 20<sup>th</sup> Annual General Meeting of IHI, giving us the opportunity to communicate directly notwithstanding that it is different to normal in that it is being held remotely and/or by proxy. This is because large group gatherings are not recommended and recently the Government of Malta, through the Malta Financial Services Authority, that is the MFSA, ruled that public companies can hold their Annual General Meetings remotely.

The Company has in fact circulated to all the shareholders copies of the Agenda and all the supporting papers whilst asking to make any observations as also to appoint the Chairman as their proxy. Chairman held that he can officially state that by direct representation in this meeting and by the proxy votes that he holds, collectively accounts for well over 90% of the voting rights.

Chairman confirmed that the necessary quorum to proceed with the meeting was established as he holds proxy for more than 75% for the extraordinary resolutions, whilst only 50% plus one is required for the ordinary resolutions.

Before turning to the Agenda, Chairman held that it was important to recall the events of mid-March, when the Company was suddenly hit by the lockdown resulting in a total shutdown of all its businesses. The Company immediately took very decisive actions on a number of fronts, as follows:

- A. We of course adopted all health and safety measures as directed by the relevant authorities in the various jurisdictions in which we operate. Internal guidelines on operations and staff welfare have also been circulated and updated regularly, especially now as we are re-opening our hotels.
- B. We addressed a series of far-reaching cost cutting and cost containment measures, which included shutting down hotels from March, as in any case there was no business. Nevertheless, we still provided round the clock security and maintenance of our properties, whilst making sure to keep costs to a minimum.
- C. We suspended all capital expenditure (CAPEX) other than to finish ongoing works that had been nearing completion.
- D. Furthermore, we have taken many other actions following a detailed review of every cost item in our hotels as also in our other business units and corporate offices where we either renegotiated rates or entered into an agreement of payment deferment.
- E. The Company also took immediate action to curtail its payroll by shedding all part-time workers and others on probation, whilst also removing all outside labour

service providers. Many of our employees have also taken drastic cuts in their take-home pay.

- F. Moreover, in all countries in which it operate, including Malta, Prague, Budapest, Lisbon and London, the Company benefitted from various schemes adopted by the respective Governments which included salary subsidies, as well as the waiver or deferral of payroll taxes and social security contributions. For example, in the case of the United Kingdom, we also benefitted from a waiver of property taxes for 2020. These schemes are of significant benefit to the Company.
- G. The Company has also negotiated with its banks both in Malta and internationally to defer payment of capital and, in some cases also interest. The Company has also organized separate lines of credit from various banks and even with related parties.

Way back in March, the Audit Committee studied the Company's cashflow situation and in order to make sure that all operations survive this difficult period, it agreed to pool the Group's financial resources and support our various companies as one entity. Subsequent to the above-mentioned decisions, the situation three months later, changed both on a negative side as also on a positive one.

Negatively, because it became apparent that the pandemic will not be over this year and for sure will last for a much longer period.

On a positive note, Governments in the jurisdictions in which the Company operates offered various support schemes of which we availed ourselves.

Mr Jean-Pierre Schembri informed the meeting that the secretariat received several questions from shareholders and the questions and answers will be uploaded on the Company's website in line with legal notice 288 of 2020.

The meeting than turned to the business of the AGM as indicated on the Agenda:

#### **A. ORDINARY BUSINESS:**

- 1. That the consolidated financial statements of the Company for the year ended 31 December 2019, together with the Directors' Report and the Auditors' Report thereon be and are hereby approved.**

The Company Secretary read the first Resolution on the Agenda.

Mr Simon Flynn on behalf of PricewaterhouseCoopers, Certified Public

Accountants and Auditors read the Auditors' opinion, which is an unqualified one, which is found on page 25 of the Annual Report.

**IT WAS RESOLVED that the consolidated audited financial statements for the year ended 31<sup>st</sup> December 2019 and the Directors' and Auditors' Reports thereon be hereby approved.**

The Company Secretary read the second Resolution on the Agenda.

- 2. That PricewaterhouseCoopers be and are hereby appointed as auditors of the Company and that the Directors be and are hereby authorized to fix their remuneration.**

**IT WAS RESOLVED that the appointment of PricewaterhouseCoopers as auditors of the Company for 2020, be hereby approved and that the Directors be hereby authorised to fix their remuneration.**

#### **B. EXTRAORDINARY BUSINESS:**

The Company Secretary read the third Resolution on the Agenda.

- 3. That the Directors' remuneration policy, as circulated to the shareholders of the Company, be and is hereby approved.**

Dr Joseph J. Vella explained the purpose of this Resolution. Dr Vella held that the Company has a nomination and remuneration committee that is composed of a majority of non-executive directors, which he chairs. The committee meets regularly, and it has held detailed discussions on this policy. When deciding the remuneration of the Directors, the Committee has taken into account the fact that IHI is an international company and also the associated responsibilities of the Job. The decision was taken in full transparency and in line with all regulations and within the approved limits approved by the shareholders in a previous annual general meeting.

**IT WAS RESOLVED that Directors' remuneration policy, as circulated to the shareholders of the Company, be and is hereby approved.**

The Company Secretary read the fourth Resolution on the Agenda.

- 4. That the authority conferred upon the Directors pursuant to article 3 of the Articles of Association of the Company to issue and allot shares in the Company, which authority expired on the 10 June 2020, be and is hereby renewed for a period of five (5) years from the date of this resolution, that is the 31 July 2020,**

**and: (i) that the definition of “prescribed period” specified in sub-article 3.7 of the Articles of Association of the Company be construed accordingly; and (ii) that the “prescribed amount” specified in said sub-article 3.7 for the purpose of setting out the maximum amount of shares in the Company which the Directors shall have the authority to issue and allot during the prescribed period (as amended) shall be the amount of authorised share capital less the amount of the issued share capital of the Company at that time.**

Dr Louis de Gabriele held that the purpose of this decision was to give the Directors the possibility to issue the unutilised portion of the authorised share capital. The initial authorisation had expired on 11 June 2020 and it needed to be renewed for a further period of five years.

**IT WAS RESOLVED that the authority conferred upon the Directors pursuant to article 3 of the Articles of Association of the Company to issue and allot shares in the Company, which authority expired on the 10 June 2020, is renewed for a further period of five (5) years from the date of this resolution, that is the 31 July 2020, and: (i) that the definition of “prescribed period” specified in sub-article 3.7 of the Articles of Association of the Company be construed accordingly; and (ii) that the “prescribed amount” specified in said sub-article 3.7 for the purpose of setting out the maximum amount of shares in the Company which the Directors shall have the authority to issue and allot during the prescribed period (as amended) shall be the amount of authorised share capital less the amount of the issued share capital of the Company at that time.**

### **C. APPOINTMENT OF DIRECTORS**

The Company Secretary informed the Meeting that nine valid nominations had been received, namely:

Mr Abdunaser Ahmida  
Mr Hamad Buamim  
Mr Salem Hnesh  
Mr Alfred Pisani  
Mr Joseph Pisani  
Dr Joseph J. Vella  
Mr Frank Xerri de Caro  
Mr Douraid Zaghouni  
Mr Winston V. Zahra

Since there had been less nominations than the available vacancies, no elections would take place and these nominees will be automatically appointed Directors.

Chairman closed the Meeting at 1210 hours.